

The Voice
of the
Industry

Air Conditioning & REFRIGERATION



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NELSON'S PROGRAM MAY SPEED CIVILIAN PRODUCTION

Prospects for the early increase in the production of more refrigeration, air conditioning, and electrical appliance units for civilians seemed considerably brighter following the announcement last week-end by Donald Nelson, WPB chairman, of a program of "preparation" for reconversion, and his subsequent testimony on this subject a few days later before the Senate Truman Committee. However, there are still a couple of big "ifs" to the program.

While pointing out that "the next three months will in some ways be the most critical we have yet faced in war production," Mr. Nelson's statement said that adjustments are already being made to permit the resumption of civilian production wherever industry and WPB working together can satisfy themselves that no interference with the war effort will result.

Civilian production is being currently broadened wherever possible through established WPB procedures in daily operation and those procedures are now being shortened and speeded up, Mr. Nelson declared, and many minor WPB restrictions have been lifted.

Mr. Nelson enumerated three specific steps being taken by WPB to help industry plan and prepare for the reconversion period:

1. An order is being prepared to allow manufacturers to obtain materials and components for single working models of civilian products in planning postwar production.
2. Existing restrictions on the manufacture of end products from aluminum and magnesium will be lifted by vesting in WPB regional offices authority to permit manufacture of items from these metals as the manpower situation permits.
3. Beginning July 1, manufacturers will be allowed to purchase machinery, tools, and dies for civilian production whenever possible out of existing surpluses listed with the WPB and Defense Plants Corp., but, if necessary, through placing orders for production at times and under conditions that will not interfere with the war effort.

REFRIGERATION AND AIR CONDITIONING MENTIONED

One authentic report of Mr. Nelson's statement before the Truman Committee was of especial significance to the refrigeration and air conditioning industry, stating the following:

"At the hearing, Mr. Nelson, speaking of plans covering future releases of many materials for civilian production, cited mechanical refrigerators, vacuum cleaners, various commercial appliances, electric fans, washing machines, air conditioning apparatus, water coolers and heaters, oil burners, and motion-picture equipment as items for early production as safe surpluses develop. The WPB already has long lists of such items, to be made public soon, to which releases of materials will be made according to essentiality."

Top officials of both Aluminum Corp. and Reynolds Metals Co. told the committee that between 50 and 100 million pounds of aluminum could be supplied for civilian needs without interfering with war production, and urged an expansion of aluminum use in the production of refrigeration, railroad, and automobile equipment.

NOT ALL WILL START AT ONCE IN THE 'RACE'

The lifting of WPB restrictions while war production is still in progress may permit concerns in areas where manpower is in relatively easy supply to enter the civilian markets before competitive concerns in tight labor areas and with large forward war contracts are in a position to do so. Relative to this Mr. Nelson said:

"Any hardship worked on any business concern by this development is in my judgment regrettable but unavoidable. The country cannot afford to delay the return of civilian production until all manufacturers in each industry have terminated their essential war work and are in a position to resume production at the same time.

"If, without interference with the war effort, we can give a manufacturer in a noncritical manpower area materials and parts to resume the production of things the civilian economy needs, it is to the public interest that we do so without waiting until a competitive concern in a critical area is permitted to resume production."

MANPOWER AND COURSE OF WAR ARE BIG 'IFS'

The big "ifs" to the program are the manpower situation and the course of the war.

So serious is the manpower situation in certain vital fields, Mr. Nelson told the Truman Committee, that he "wouldn't hesitate a moment" to cancel out or cut back the decision to release aluminum and magnesium for civilian production if it is found to be interfering with the war output. He also said that a shift of 200,000 workers to areas of greater labor needs, largely in the midwest and on the West Coast, was "absolutely essential."

Following Mr. Nelson's announcement of the program, the Army indicated its opposition to any reconversion program now, pointing out that difficulty is being found in getting manpower, facilities, and materials under contract for an expanded artillery and tank production program. Any turn for the worse in the war situation might very well junk any program looking to reconversion.

PRODUCERS URGED TO RETURN QUESTIONNAIRES

Top officials of the Refrigeration and Air Conditioning Section of WPB are urging producers of equipment to furnish by no later than July 1 complete and accurate replies to the questionnaire sent to producers by the Bureau of the Census.

Reason for the "speed" is that the Section wants to formulate its programs for further extension of production by the industry in July. It is felt in WPB circles that a sudden "break" in the war situation might result in a quick return to civilian production, but industries that did not have a definite program outlined for them might find themselves at the end of the line when materials were handed out.

TASK COMMITTEES MAKE THEIR REPORTS

Along this same line, the 11 task committees that are studying various segments of the refrigeration and air conditioning industry with a view to determining future production needs and problems have made progress reports to the Industry Advisory Committee. The committees are directing their efforts to finding out (1) what products will be needed immediately to fill urgent demands and (2) to determine requirements of the air conditioning and refrigeration equipment industry for long-term future production when it becomes possible to eliminate restrictions that now apply to the output of certain items.

These task committees have worked swiftly and diligently to get out their reports, which will probably be submitted July 1.

HENRY G. "TED" LITTLE, who has been Nash-Kelvinator Corp.'s chief of public relations and advertising, has become vice president and general manager of Campbell-Ewald Co., advertising agency with headquarters in Detroit. Campbell-Ewald handles the Norge account.

NEW METHOD OF PRICING REBUILT SMALL MOTORS

A new method for pricing rebuilt fractional horsepower electric motors, such as those needed now to run refrigerators, washing and ironing machines, vacuum cleaners, and similar household appliances, was announced June 21 by the OPA.

Effective June 26, 1944, the new method will establish retail prices for rebuilt motors of $\frac{3}{4}$ horsepower or less at:

- (1) 75% of the list price of the nearest equivalent new motor,
- (2) plus an additional sum of \$7,
- (3) less the following allowance for the exchange, transfer or trade-in of a used motor—\$1 for $\frac{1}{4}$ hp. or less, \$2 for over $\frac{1}{4}$ hp. and including $\frac{1}{2}$ hp., and \$3 for over $\frac{1}{2}$ hp. and including $\frac{3}{4}$ hp.

EXAMPLE: A buyer trades in a used $\frac{1}{4}$ hp. motor on a rebuilt motor of the same size which lists at \$12 when new. The maximum price for the rebuilt motor would be established by the following steps: (1) 75% of \$12 is \$9, (2) \$9 plus \$7 is \$16, (3) \$16 less \$1 trade-in allowance is \$15, which is the maximum price.

For sales of rebuilt fractional horsepower motors at levels other than at retail, the maximum price will be 85% of the retail price determined by the new pricing method described above.

The rebuilt motors have been priced under provisions of the machinery regulation, which permitted a maximum price of 85% of the new base price of an equivalent machine. Under that provision, very few of the many discarded motors on the shelves of dealers and in junk yards were rebuilt and offered for sale, it was said.

Since former maximum prices gave no encouragement for rebuilding the discarded motors, and WPB has indicated that the present program for production of new motors of this type will fall far short of replacement requirements, today's action was taken by OPA to assist in bringing out a supply of the rebuilt motors to meet critical civilian needs.

Serious complaints have been registered with the Office of Price Administration concerning the prices that repair shops are charging on a "labor materials" basis. The present action encourages rebuilders to create stocks of reconditioned machines, and will be followed by another placing service charges under clear and specific control. These steps are expected to result in a reduction of the costs of motor replacement or repair to owners of electrical appliances.

A rebuilt motor, priced under provisions of the new order, is one in which worn, defective, or missing parts have been replaced or repaired for successful operation. It carries a binding guarantee of successful operation for not less than a year.

(Amendment No. 144 to Revised Supplementary Regulation No. 14—Modification of Maximum Prices Established by the General Maximum Price Regulation; and Amendment No. 119 to Maximum Price Regulation No. 136—Machines and Parts and Machinery Services—Both effective June 26, 1944.)

PHILCO NAMES TWO SALES MANAGERS

Walter H. Eichelberger has been appointed sales manager for Philco Corp.'s refrigeration division, and John M. Otter has been named sales manager for the home radio division, according to Thomas A. Kennally, vice president in charge of sales, who explained that the appointments were another step in readying the Philco sales organization for the postwar period.

Mr. Eichelberger joined Philco in 1936 as general manager of the Detroit branch of Philco Distributors, Inc. Since 1941 he had been head of Philco's Atlantic division, with headquarters in Philadelphia. Mr. Otter started with the company in 1926 and since 1940 has been in charge of all sales in the Middle West.

"NEWCOMERS" TO APPLIANCE FIELD SCARCE SO FAR

There's been a heap of talk about all the "newcomers" in the field of refrigeration and major appliance manufacturing after the war, but thus far only two concerns have formally announced that they would make their entrance into these fields—Aviation Corp., and Admiral Corp. (the latter formerly confined its production to radios and radio phonographs).

Some of the others whose entrance into the field is considered a good possibility are Murray Body Corp., Consolidated Aircraft, Boeing Aircraft, General Mills, Inc., and the Food Machinery Corp. Then there are the "tire" companies such as Goodyear which merchandised appliances through its chain of outlets prior to the war, but didn't manufacture. It is rumored that Phillips Petroleum is one of the companies of this type that is investigating the possibilities of having its filling stations merchandise appliances.

It is known that the complex distribution setup of the appliance field has scared out some who had given thought to entering the business. The fact that, somewhat contrary to expectations, retailers of appliances have stayed alive and will likely continue with their former sources of merchandise, is another factor that has made the chances of getting adequate distribution look pretty tough.

CIVILIANS TO GET "FREON" NEXT YEAR, WPB PREDICTS

"Freon" for comfort cooling air conditioning systems will be available by next summer, according to predictions of the War Production Board's Chemicals Section. When Kinetic Chemicals, Inc. starts producing "Freon" in the new plant near Chicago, scheduled for completion in September, there should be enough "Freon" to meet all war requirements, with plenty left over to fill civilian needs, it was said.

OTTO KLOPSCH RESIGNS AS WOLVERINE TUBE MANAGER

Otto Z. Klopsch has resigned as vice president and director of Calumet and Hecla Consolidated Copper Co. and general manager of the Wolverine Tube Division.

Mr. A. E. Petermann, president of Calumet and Hecla, announced that H. Y. Bassett has been made acting manager of the Wolverine Tube Division.

CONSUMERS CAN RESELL STOVES TO DEALER

A consumer may sell or return new stoves to a dealer, distributor, or manufacturer beginning June 26, announces the Office of Price Administration. Present regulations provide that a consumer may transfer a new stove only to another consumer.

The new provision is made to aid consumers who desire to return, or sell, a new stove which they have acquired. If a consumer returns a stove to a dealer, distributor, or manufacturer or cancels an order for a stove before it is delivered, the consumer's ration certificate must be returned or the dealer or distributor must give the consumer a receipt.

Where a consumer returns a stove or cancels an order before he gets the stove and his certificate is not returned to him, if he is still eligible he may apply for a new certificate, presenting the receipt from the dealer or distributor.

Whether a stove is transferred or returned a certificate for the type of stove must be surrendered by the dealer or distributor to his local War Price and Rationing Board to obtain for inventory another stove.

INDUSTRIAL WATER COOLER PRODUCTION LAGS

While all essential water cooler uses are being cared for at the present time, the Water Cooler Industry Advisory Committee has told WPB that production of industrial type water coolers is being delayed by inability of producers to obtain fraction horsepower motors.

The group recommended that Schedule I of Order L-126, covering required specifications for self-contained drinking water coolers, be relaxed and coordinated with the proposed revision of Order L-38, covering general commercial and industrial refrigeration and air conditioning equipment.